Green light for AM stereo

NAB!

Rundown on February sweeps

Broadcasting Apr 14

The newsweekly of broadcasting and allied arts

Our 49th Year 1980

C 1980-1 U wed 4/9/80

WE SCOOP ALL OF THE BIG NAMES THAT BLOW IN FROM THE COAST.
That's because we offer viewers our exclusive GulfScan 2 Radar system that links us to every Weather Bureau radar station on the Gulf, plus our sophisticated SuperScan 2 Color Radar. Which is why, when it comes to tracking bad weather, we're good to the last drop. **KPRC TV HOUSTON**

Petry Television, Inc., National Representatives, NBC Affiliate.

The Week in Brief

TOP OF THE WEEK

THE NOD FOR AM STEREO ☐ The FCC chooses the Magnavox system from among five competing manufacturers. Kahn says it will petition the commission; others plan to wait and see. **PAGE 27.**

THE FEBRUARY SWEEPS ☐ ABC-TV takes prime-time honors in the top-100 markets for the fifth straight time. However, CBS-TV and NBC-TV gain on a market-by-market basis. **PAGE 32.**

NAB ☐ 80

NAB 80 ☐ The focus of the broadcasting world is on the Las Vegas convention this week, but the eyes of NAB President Wasilewski and his staffers are on some tricky issues that will be batted their way. In a pre-convention interview they tell why they are confident of their fielding ability. **PAGE 36.** Here's a final rundown of the Las Vegas agenda and another look at the hospitality suites. **PAGE 40.**

AT LARGE

THE FERRIS YEARS ☐ In 30 months as FCC chairman, Charles Ferris has turned the commission almost completely around. In this Q-and-A session with BROADCASTING editors, he explains the principal changes, sketches a portrait of his regulatory posture, and offers an inkling as to what's ahead. **PAGE 58.**

MEDIA

ROSE GARDEN RANCOR ☐ Carter opponents continue to complain about Carter use of White House announcements and events that they claim are designed to make campaign points. A Kennedy committee tries another tactic at the FCC to win comparable exposure for the Massachusetts senator. **PAGE 80.**

JOURNALISM

'60 MINUTES' AT THE FRONT ☐ Dan Rather and a CBS-TV crew sneak across the Afghan border for a dramatic episode. **PAGE 84.**

BUSINESS

SLOWDOWN ☐ ABC expects its earnings to decline in 1980. The general economic outlook, higher programing costs and deferred profitably of its new video and movie ventures are cited. **PAGE 90.**

LAW & REGULATION

REVAMP HOPES DIM ☐ Though an FCC common-carrier decision removed one impediment to the Communications Act revision, the consensus is that legislation will bog down until the first of the year. **PAGE 95.**

TECHNOLOGY

THE OUTLOOK FOR DBS ☐ A Washington conference looks at the economic, regulatory and economic issues surrounding direct broadcast satellite communications. **PAGE 122.**

PROGRAMING

ABC BY A TAD ☐ The network pulls ahead in the year-to-date ratings race by one-tenth of a point. **PAGE 130.**

'THE USA NETWORK' ☐ That's the name of the merged cable effort of Madison Square Garden and U-A Columbia. **PAGE 130.**

MIP ☐ 80

TV'S GLOBAL MARKETPLACE ☐ The 16th annual MIP gets under way Friday in Cannes with American firms among the 3,000 buyers and sellers expected for a week of bargaining. **PAGE 138.** How other countries assess the American shows. **PAGE 144.**

PROFILE

DISCIPLE OF DISCIPLINE ☐ Tom Bolger's first eight months as chairman of the NAB joint board have produced changes both within and outside the association. It's phase one of the Wisconsin broadcaster's plan to create and execute an orderly plan of action. **PAGE 181.**

Bottom Line	90	Datebook	18	In Sync	126	Open Mike	24
Business Briefly	8	Editorials	182	Inter Media	82	Playback	134
Changing Hands	151	Fates & Fortunes	175	Monday Memo	14	Profile	181
Closed Circuit	7	For the Record	154	Monitor	134	Washington Watch	115

Broadcasting (ISSN 0007-2028) is published 51 Mondays a year (combined issue at yearend) by Broadcasting Publications Inc., 1735 DeSales Street, N.W. Washington, D.C. 20036. Second-class postage paid at Washington, D.C., and additional offices. Single issue $1.50 except special issues $2.50. Subscriptions, U.S. and possessions: one year $45, two years $85, three years $120. Canadian and other international subscribers add $12 per year. U.S. and possessions add $155 yearly for special delivery, $90 for first-class. Subscriber's occupation required. Weekly *Playlist* $12 annually. Annually: *Broadcasting Yearbook* $55.00. *Across the Dial-Around the Channels* $3.95. Microfilm of *Broadcasting* is available from University Microfilms, 300 North Zeeb Road, Ann Arbor, Mich. 48106 (35mm, full year $35). Microfiche of *Broadcasting* is available from Bell & Howell, Micro Photo Division, Old Mansfield Road, Wooster, Ohio 44691 (full year $27.50).

Index to advertisers ■ ABC Radio 53, 55, 57, 59 ☐ ASCAP Inside Front Cover/Page 3 ☐ Aetna Life 86 ☐ Arbitron 98-99 ☐ Associated Press 19-22 ☐ Astral TV 128 ☐ Automated Music 104 ☐ BMI 103, 105 ☐ Bankers Trust 106 ☐ Blackburn & Co. 150 ☐ Bridal Fair 66 ☐ Broadcast Personnel 175 ☐ Broadcast Programing International 127 ☐ Bundy Broadcasting 118 ☐ CADO Systems 136 ☐ California Microwave 11 ☐ Canadian Cable 88 ☐ Christal 26, 31, 33, 35, 37 ☐ Christian Science 120, 126, 130 ☐ Cinema Products 116 ☐ Colbert TV 75 ☐ Columbia Pictures 60-61, 109 ☐ Community Club Awards 82 ☐ Computer Management 107 ☐ Continental Electronics 78 ☐ Corporate Communications 102 ☐ Crisler 140, 146 ☐ Dataworld 104 ☐ Drake Chenault 119 ☐ DuPont Columbia Awards 110 ☐ EMI Films 143 ☐ Enterprise Radio 132 ☐ Eumig 155 ☐ Fetzer 42 ☐ Firstmark 10 ☐ General Motors 159 ☐ Cliff Gill Enterprise 84, 112, 136 ☐ Golden West 141 ☐ Group W Productions 47 ☐ H-R Stone 157 ☐ Hague, Curtis 147 ☐ Harris 41, 149 ☐ Ikegami 63, 65, 67 ☐ Institute of Educational Development 148 ☐ JVC 131 ☐ KPRC-TV Front Cover ☐ KSTP-TV 69, 111 ☐ KTNV 88 ☐ Kaman Sciences 74 ☐ Katz 51 ☐ Kline Iron & Steel 133 ☐ Dean Landsman 152 ☐ Live Sound 147 ☐ MCA-TV 6 ☐ MMT Sales 43 ☐ Robert Mahlman 153 ☐ Jack Masla 8 ☐ McCurdy Radio 184 ☐ Microdyne 108 ☐ Mobil Tech Services 180 ☐ Money Machine 97 ☐ Mutual Radio Network 117 ☐ NBC Radio 77, 79, 81 ☐ NEC Inside Back Cover ☐ Newscan 70 ☐ Oak Industries 44-45 ☐ Osmond TV 83, 85, 87, 89 ☐ Otari 123 ☐ Panasonic 91-94 ☐ Paramount 12-13 ☐ Philips 145 ☐ RAB 137 ☐ RCA 25 ☐ RKO Radio Network 39 ☐ Radio Works 139 ☐ Ram Research 71 ☐ Cecil L. Richards 151 ☐ Scientific-Atlanta 100-101 ☐ Sheridan Broadcasting 124 ☐ Sherman-Brown 152-176 ☐ Sintronic 129 ☐ Sony 48-49 ☐ Sperry-Marine Division 114 ☐ Howard Stark 142 ☐ Station Business Systems 16-17 ☐ Joe Sullivan 62 ☐ Swintek 177 ☐ Syncom 24 ☐ Thomson CSF 112-113 ☐ Time & Space 140 ☐ Edwin Tornberg 154 ☐ 20th Century-Fox TV 72-73 ☐ UPI 125 ☐ Versatile Video 23 ☐ Viacom 9 ☐ WCCO-TV 4 ☐ WRAL-TV 96 ☐ WTLV 15 ☐ Wall Street Journal 135 ☐ Weatherscan 115 ☐ World Tower 178 ☐ Youngs-Walker 144 ☐

that is for Congress to decide, and "Congress doesn't need a recommendation from me."

■ "I would very much like to see in any [Communications Act rewrite] legislation" authority given to the commission "not to regulate. We do not have absolutely clear-cut power ... not to regulate."

Ferris, who according to more than one broadcaster has exhibited a coolness to members of the industry, said he has "enjoyed" his contacts with broadcasters and wishes he had time to know more of them. He also expressed the wish broadcasters knew him better. "I think they suffer as well in learning about me in other than a personal relationship, through filters."

Has the chairman "burned out" on the job? Far from it, he told BROADCASTING. With the time-consuming work of staff recruitment behind him, and highly satisfied with his crew, Ferris said he would be able to "focus even more on the real policy issues."

Credit squeeze begins to hit media trading

Fed's policy against acquisitions forces borrowers and lenders into "creative" financing; taking back paper is one method becoming popular; cable new builds, however, are finding money available

"The market's changed more in the last month than in the last four years." That's how financing specialist David Croll of Boston's T.A. Associates describes the current credit situation in the broadcast and cable industries.

Everyone who has heard a news report lately know that interest rates have gone through what used to be considered the ceiling, with New York bankers said to be getting worried about that state's criminal usury (loansharking) laws. But broadcasting is one field where it's tough getting bank money even if a borrower is willing to fork over 25% interest.

First National Bank of Boston is one institution that's been active in the past in lending to broadcasters for acquisitions. "And we will be," says Barry Allen, vice president, corporate communications, looking to the future. However, he notes that for the time being, First Boston "can't be involved in acquisitions" because of Federal Reserve pressure.

The Fed's pressure is also cited by First National Bank of Chicago's Stan Stroup, explaining that "it has to be a problem situation" for his bank to consider acquisition financing.

There are no Federal Reserve regulations that specifically prohibit acquisition loans. What's being felt by banks, after some delay, is the effect of jawboning by Fed Chairman Paul Volcker that goes back to an Oct. 6 speech. Volcker at that time was expressing his hope of curtailing what were perceived as "unproductive" merger trends; his "suggestions" went largely unheeded—until, that is, the Fed got tough with its latest round of credit restrictions, and adopted a more Sampson-like method of wielding a jawbone. The key word here is "unproductive"; as far as the Fed is concerned, acquisitions don't create new jobs or new business.

Conversely, banks aren't getting any specific pressure to stop loans for cable systems construction; building a system is "productive."

Banks aren't the only well that's running dry right now. Insurance companies had become increasingly active in communications lending. Indeed, principal cable MSO's like United Cable and TCI recently had arranged substantial long-term financing from insurers at favorable rates. This source of funds has now all but disappeared—but for a different reason than in the case of bank loans. What funds the insurers had available for 1980 have been locked up by policy holders, who are taking advantage of loan clauses in their policies to arrange for low-cost financing.

This isn't to say that there is no money out there for financing. There are banks writing acquisition loans, although for smaller, less visible, purchases that aren't likely to bring down the wrath of the Fed.

Still, with interest rates so high, lenders are increasingly resorting to what various sources call "creative" or "innovative" financing arrangements. "Cap and deferral loans," which media broker Dick Shaheen says he hasn't seen before in media deals, are now making their appearance. Here, a lender ties the interest rate on a financing package to the prime rate, usually two or three points above it. But it's also assumed that broadcasting properties can't finance a 22% or higher interest rate. The compromise is to allow the interest to "float" at prime plus two but set up a payment schedule at a fixed yearly interest (the cap), say 13%, that the property's cash flow can handle. The difference is deferred to the end of the loan, or if the prime-plus factor should drop below the cap, the borrower receives a corresponding credit.

Banks can be found that will make such deals, according to R.C. Crisler & Co. broker Clyde Haehnle. Putting together a $1.5-million purchase two weeks ago, Haehnle says, he called three banks and found two that were willing to make arrangements, although at prime plus two.

Interest rates that steep are themselves having a stultifying effect, and one dramatic change that's been seen in recent weeks is the sudden willingness of sellers of broadcast properties to "take back paper" on the deal, effectively lending money to the seller. According to brokers, the interest rates for such financing are dropping as low as 10%. Broker Ted Hepburn says that new-found largess reflects a desire on the sellers' part to maintain, at least on paper, the price of the property.

Other sources of funding certainly exist. Dave Croll, for example, says T. A. Associates has $30 million in SBIC funds available for loans to "entrepreneurs." Firstmark Financial Corp.'s Bill Van Huss claims his company is now "aggressively seeking acquisition loans; they'd be our preference."

According to Van Huss, the kinds of package Firstmark is assembling are eight-year term loans for broadcast properties, 12-year for cable, with floating interest rates tied to the prime rate.

Those interest rates act as a "natural selective process," Van Huss says. "It has to be a darned good project to make it viable to borrow at these rates."

How February swept the top 100 TV markets

ABC won for the fifth time in a row, but both CBS and NBC gained on market-by-market basis

ABC-TV last week claimed its fifth straight prime-time victory in February local sweep measurements, while NBC-TV and CBS-TV claimed far more market-by-market gains.

ABC calculations based on Arbitron Television reports for the top 100 markets showed that ABC on average delivered 21% more households than CBS and 26% more than NBC, and that in the 97 top-100 markets where all three networks have primary affiliates, ABC placed first in more than CBS and NBC together—58 first-place markets for ABC to 25 for CBS and 16 for NBC (figures include ties).

In share of network audience in the top 100 markets, ABC came in with 38.2%, CBS with 31.5% and NBC with 30.3%.

Despite these winning statistics, ABC affiliates more often than not delivered fewer homes this year, on average, than in February 1979. (ABC spokesmen said this resulted in part from the 1979 period's having been a record-breaker, giving affiliates this year a harder target to shoot at.) NBC and CBS affiliates, on the other hand, gained much more frequently than they lost.

Thus ABC affiliates delivered more homes than a year ago in 31 markets, fewer homes in 60 markets and the same number of homes in seven markets. At the other extreme, NBC affiliates showed gains in 85 markets and losses in 15 (none unchanged), and CBS affiliates were up in 67, down in 25 and unchanged in five.

Three-network prime-time homes delivery in the 100 markets was up about 2.7% from a year earlier, totaling 39,043,000 on average. ABC's average was 14,933,000 homes, off 3.7%, while CBS's was 12,296,000, up 4.6%, and NBC's was 11,814,000, up 9.7%.

ABC's 38.2% share of the prime-time

network audience dropped below last year's record 41%. CBS at 31.5% was slightly ahead of its 31% last year, and NBC at 30.3% was up from 28% a year ago.

ABC affiliates took first place in 14 of the top 15 markets and in 26 of the top 30. Over-all, along with its 58 first-place markets, ABC had 21 second-place finishes and 17 third places. CBS with its 25 firsts also had 38 seconds and 33 thirds, while NBC's 16 firsts were followed by 37 seconds and 43 thirds.

ABC noted improvements in markets where it has acquired new affiliates since February 1979. KSTP-TV Minneapolis-St. Paul was pegged with a 57% increase in average household delivery since its switch from NBC to ABC. Similarly, WRTV(TV) Indianapolis was said to be up 30% and WDTN(TV) Dayton, Ohio, up 35%.

In one of those markets, however—Indianapolis—ABC's own homes delivery was down from a year ago by 9%, instead of up, and NBC's was up, by 10%, instead of down. In another switched market, Knoxville, Tenn., where WATE-TV moved from NBC to ABC, WATE-TV's own homes delivery declined 3.6% but still represented a 76% improvement for ABC.

The top 100 market results:

Here's how affiliates fared in prime time in each of the top 100 markets in Arbitron Television's February sweep measurements, as compiled by ABC researchers from Arbitron reports. The numbers represent prime-time averages in thousands of households (add 000). The plus or minus numbers represent percentage of change in the household figures as compared with Arbitron's February 1979 sweep. ABC researchers said the household figures are Arbitron's "pure" network averages for entertainment programing from 7:30 to 11 p.m. NYT Monday through Saturday and from 7 to 11 p.m. Sundays, excluding all access or other local programing presented during those hours. The sweep period was Jan. 30 through Feb. 26. Boldface numbers indicate the top network in each market.

		ABC		CBS		NBC	
		HH	% change	HH	% change	HH	% change
1	New York	**1466**	−9	1116	7	1092	8
2	Los Angeles	**817**	−10	557	11	619	11
3	Chicago	**514**	−15	497	5	522	23
4	Philadelphia	**678**	2	409	−2	369	NC
5	San Francisco	**409**	14	242	−2	148	−1
6	Boston	**473**	19	287	−6	276	−6
7	Detroit	**401**	−8	320	10	323	16
8	Washington	**286**	−9	258	7	233	−1
9	Cleveland	**371**	4	237	−4	235	−2
10	Dallas-Fort Worth	**273**	−11	252	9	216	19
11	Pittsburgh	**323**	−3	242	NC	186	10
12	Houston	**247**	−1	224	22	204	19
*13	Minneapolis-St. Paul	**236**	14	180	−1	149	−1
14	St. Louis	211	−9	**214**	18	186	12
15	Miami	**212**	NC	185	−6	155	5
16	Atlanta	180	−9	189	4	**202**	25
17	Seattle-Tacoma	**218**	3	106	−8	140	4
18	Tampa-St. Petersburg, Fla.	160	19	**188**	1	153	2
19	Baltimore	**235**	2	175	−1	151	−6
20	Hartford-New Haven, Conn.	**224**	7	170	−11	73	11
21	Denver	**192**	6	124	−5	140	18
*22	Indianapolis	**171**	−9	146	10	145	10
23	Stockton-Sacramento, Calif.	**164**	9	111	7	133	17
24	Portland, Ore.	**156**	7	107	−9	102	3
25	San Diego	**157**	10	101	10	72	−5
26	Milwaukee	**157**	3	129	18	127	12
27	Kansas City, Mo.	**171**	−5	141	17	128	20
28	Cincinnati	**161**	8	135	3	128	11
29	Buffalo, N.Y.	**149**	NC	117	NC	96	8
30	Nashville	101	−19	**156**	22	143	22
31	Phoenix	**127**	7	99	1	98	17
32	Charlotte, N.C.	123	−3	**152**	7	51	16
33	Memphis	97	−17	**130**	2	109	27
34	New Orleans	109	−22	**133**	2	97	10
35	Columbus, Ohio	**138**	−12	134	10	109	21
36	Asheville, N.C.-Greenville-Spartanburg, S.C.	100	−17	119	19	**120**	10
37	Grand Rapids-Battle Creek-Kalamazoo, Mich.	**126**	−3	89	3	90	5
38	Providence, R.I.	**144**	2	77	NC	129	15
39	Oklahoma City	**98**	−16	92	8	**98**	−6
40	Orlando-Daytona Beach, Fla.	**114**	−10	89	−1	91	5
41	Huntington-Charleston, W. Va.	82	−22	96	16	**142**	23
41	Raleigh-Durham, N.C.	100	−15	**111**	9	32	68
43	Louisville, Ky.	88	−10	104	1	108	9
*44	Dayton, Ohio	104	7	**128**	19	64	−17
45	Harrisburg, Pa.	**91**	10	44	−6	98	4
46	Norfolk-Portsmouth-Newport News-Hampton, Va.	98	−13	**100**	9	81	19
47	Salt Lake City	**104**	−5	85	5	94	34
48	Albany-Schenectady-Troy, N.Y.	**141**	32	91	1	94	−10
49	Birmingham, Ala.	**142**	−12	48	7	100	19
50	Scranton-Wilkes Barre, Pa.	**123**	−3	69	10	91	1
51	San Antonio, Tex.	**103**	−5	96	5	86	23
52	Flint-Saginaw-Bay City, Mich.	**122**	−6	47	15	105	28
53	Greensboro-Winston Salem-High Point, N.C.	**95**	−19	94	7	87	1
54	Wichita-Hutchinson, Kan.	**85**	NC	78	3	84	11
55	Little Rock, Ark.	**98**	−11	85	13	90	14
56	Toledo, Ohio	**89**	NC	89	9	89	13
57	Tulsa, Okla.	**101**	−6	77	7	63	13
58	Shreveport, La.-Texarkana, Tex.	75	−18	**92**	1	65	25
59	Knoxville, Tenn.	79	76	**99**	6	44	−46
60	Mobile, Ala.-Pensacola, Fla.	73	−9	**100**	12	61	7
61	Lynchburg-Roanoke, Va.	50	−6	**87**	2	67	20
62	Des Moines, Iowa	70	−14	**77**	5	70	27
63	Syracuse, N.Y.	**93**	12	68	−18	78	−1
64	Richmond, Va.	80	−4	**95**	12	66	6
65	Omaha	**98**	−11	67	−7	79	13
66	Jacksonville, Fla.	47	−15	**82**	NC	71	18
67	Green Bay, Wis.	**90**	−7	60	2	78	16
68	Rochester, N.Y.	**99**	18	57	−10	51	−9
69	Fresno, Calif.	**58**	NC	50	11	54	17
70	Davenport, Iowa-Rock Island-Moline, Ill.	**72**	−4	59	4	69	13
71	Chattanooga	56	−22	60	3	**70**	23
72	Springfield-Decatur-Champaign, Ill.	67	18	64	−3	**68**	5
73	Spokane, Wash.	67	3	46	−4	**92**	4
74	Portland-Poland Spring, Me.	**67**	8	43	−2	58	23
75	Albuquerque, N.M.	**76**	NC	49	7	54	32
76	Harrisburg, Ill.-Paducah, Ky.-Cape Girardeau, Mo.	40	−15	**81**	8	70	13
*77	West Palm Beach, Fla.	47	2	–	–	50	11
78	Johnstown-Altoona, Pa.	–	–	66	12	**91**	5
79	Cedar Rapids-Waterloo, Iowa	**63**	−13	50	−4	62	17
80	Jackson, Miss.	31	−21	54	2	**61**	7
81	Youngstown, Ohio	**60**	−2	57	−8	49	2
82	South Bend-Elkhart, Ind.	58	−9	57	21	**59**	28
83	Springfield, Mo.	27	−4	65	7	**73**	18
84	Kingsport-Johnson City, Tenn.-Bristol, Va.	30	−14	61	−2	**60**	29
85	Lincoln-Hastings-Kearney, Neb.	39	−13	**61**	13	17	6
*86	Springfield, Mass.	**76**	3	–	–	46	−2
87	Peoria, Ill.	**54**	−10	45	7	51	24
88	Evansville, Ind.	**59**	−22	39	NC	45	25
89	Lexington, Ky.	42	−26	**60**	11	57	30
90	Tucson, Ariz.	**52**	11	34	−6	40	5
*91	Lansing, Mich.	–	–	**58**	12	44	7
92	Baton Rouge	65	−13	**66**	25	32	10
93	Fargo-Valley City, N.D.	39	−9	37	3	**42**	2
94	Fort Wayne, Ind.	52	2	**46**	18	37	23
95	Mitchell-Sioux Falls, S.D.	21	−13	**62**	NC	45	13
96	Huntsville-Decatur-Florence, Ala.	50	−12	**60**	9	43	10
97	Columbia, S.C.	31	NC	27	13	**70**	13
98	Burlington, Vt.-Plattsburgh, N.Y.	27	17	**50**	−4	30	11
99	Austin, Tex.	42	−9	**52**	6	29	16
*100	Waco-Temple, Tex.	**56**	−3	–	–	40	11

ABC suffers earnings drop

Network attributes decrease in per-share profits to higher programing costs and new video and movie divisions

The future isn't as bright as it seemed. That was the word from ABC last Tuesday, looking down the 1980 earnings path. Recalling mentions of entertainment and news programing costs it has made in the last several weeks (BROADCASTING, Feb. 25 and April 7), as well as its observations on the deferred profitability of new ventures including Video Enterprises and motion picture divisions, the company said: "We now believe these factors and the increased uncertainty in the over-all economy will result in a decline in full-year earnings per share from the record $5.67 we reported in 1979." Previously, ABC had said costs "could moderate profit growth in 1980."

While ABC's hints about cost pressures had not gone unnoticed on Wall Street, this latest admission of an anticipated profit downturn came as something of a surprise to many; the past statements were not generally considered to have suggested so severe an impact. Among those not taken aback was Bache, Halsey, Stuart Shields's Anthony M. Hoffman, who recommended selling ABC stock some months ago. He theorizes that ABC's rating dominance had been tied to hard-to-replace "superhits" that are now destined to disappear because featured performers won't be renewing contracts. Consequently, ABC will be caught in a competitive squeeze. Hoffman voices what now seems to be emerging as a consensus on Wall Street: Tuesday's announcement reflects a decision by ABC to commit the funds it thinks necessary for a programing battle.

Dennis Leibowitz of Donaldson, Lufkin & Jenrette, another analyst who's been revising downward his view of ABC's prospects, thinks ABC faced a difficult enough time trying to maintain earnings. In that situation, opting to spend money on programing to maintain its competitive position, even if that would negatively affect earnings, would seem a likely scenario.

ABC's stock fell only 5/8 on Tuesday to 28 3/8, which Cyrus J. Lawrence analyst Howard Turetsky points out reflected two principal factors. First, the stock had already dropped sharply. It was at $38 in January. Second, there was already concern over cost questions. Turetsky is betting that ABC shares will bottom out somewhere in the mid-$20's.

ABC, of course, is not operating in a vacuum as far as programing costs and their impact are concerned. CBS, in fact, has already stated that it expects an earnings decline in the first quarter of this year following last year's first-quarter disaster (BROADCASTING, March 3). And that, too, was tied to the heavy costs of programing in the current competitive atmosphere.

Bottom Line

Cable money. Storer Broadcasting Co. has registered with Securities and Exchange Commission proposed public offering of two million common shares. Action follows Miami Beach-based company's authorization to its executive board last winter to implement issuance. Chairman Bill Michaels said then that move was in accordance with company's planned expansion in cable television ("Bottom Line," Feb. 25). Proposed offering, subject to stockholders' approval at April 29 annual meeting, will be made through underwriters by Lehman Brothers Kuhn Loeb Inc. Storer has 10,369,000 shares outstanding.

Expansion. Warner Bros. submitted winning $35-million bid for 12.9-acre Samuel Goldwyn Studios in Hollywood last week, beating out number of other bidders including Samuel Goldwyn Jr., who offered $30 million. Warner intends to use facility as television production center, modernized for videotape production, for itself as well as independent producers. Name of facility will be changed. Warner Bros. is currently housed at The Burbank Studios, which it shares with Columbia Pictures, and will continue to maintain its primary offices there.

The difference. "Sharply lower earnings" and dividend reduction were announced by Providence, R.I.-based Outlet Co. It was not fault of broadcasting operations, which posted earnings gain of 1.6% to $17 million in fiscal year ended Jan. 31. Company's net earnings dropped 60% from $10 million to $4 million. "Poor performance" of Outlet's three retail division was blamed. Retailing earnings plummeted from $11.4 million to $1.8 million. Revenues for whole company were up $6 million to $307 million. Earnings per share dipped to $1.25 from $3.68. Directors trimmed quarterly dividend to 15 cents from 25 cents "to conserve cash."

Where the money goes. Research and development expenses totaled $27.8 million over last five years for Warner/Amex Cable, though 1979's $7.6 million was down $3.4 million from 1978. As noted in Warner's Communications' 1979 annual report, money primarily funded Qube development. Cable company's spending on plant additions totaled $89.3 million over five-year period, including $31.3 million last year. Net income for Warner/Amex (50% owned by American Express) rebounded to $4.5 million from $2.4 million in 1978. Revenues were up to $81.3 million from $66.3 million.

Week's worth of earnings reports from stocks on Broadcasting's index

		Current and change					Year earlier		
Company	Period Ended	Revenues	% Change	Net Income	% Change	Per Share	Revenues	Net Income	Per Share
Acton Corp.	year 12/31/79	$132,265,000	+24.7	$4,090,000	-16.3	1.40	$105,988,000	$4,883,000	1.37
Cablecom-General	year 11/30/79	37,384,122	+11.1	4,971,271	+ 7.1	1.93	33,641,693	4,610,227	1.79
Comcast Corp.	year 12/31/79	21,810,532	+34.8	2,168,277	+26.9	.85	16,180,812	1,709,155	.69
Doyle Dane Bernbach	year 12/31/79	104,475,000	+17.4	9,009,000	+18.3	3.40	88,907,000	7,618,000	2.87
General Tire & Rubber	3 mo 2/29	513,329,000	- .07	-11,254,000	-190.1	-.48	516,871,000	12,491,000	.52
Heritage Communications	year 12/31/79	14,980,122	+135.9	6,519,749	+ 2.7	2.69	6,348,257	-274,729	-.51
McGraw-Hill	year 12/31/79	879,886,000	+15.6	76,897,000	+23.8	3.10	761,231,000	63,661,000	2.57
New York Times Co.	year 12/31/79	653,112,000	+33.1	36,408,000	+134.1	3.06	490,642,000	15,550,000	1.32
A.C. Nielsen Co.	6 mo 2/29	230,320,000	+22.8	12,502,000	+ .34	1.14	187,544,000	12,451,000	1.13
RCA	year 12/31/79	7,454,600,000	+12.9	283,800,000	+ 1.9	3.72	6,603,633,000	278,400,000	3.65
Sony Corp.	3 mo 1/31	898,631,000	+47.6	79,057,000	+342.6	.37	609,668,000	17,862,000	.08

(BPH-790322AD). Action Mar. 24.

■ WKKY(FM) Moss Point, Miss.—Granted CP to change ant. sys.; ERP 1.3 kw, ant. height 205 ft; condition (BPH-800114AR). Action Mar. 21.

■ KEZH(FM) Hastings, Neb.—Granted CP to increase ant. height; install new ant.; make changes in ant. sys.; ERP 3 kw; ant. height 260 ft.; condition (BPH-790511AA). Action Mar. 7.

■ *WCDB(FM) Albany, N.Y.—Granted CP to change TL; change SL remote control; change ant. sys. (BPED-791228BR). Action Mar. 12.

■ WBAG-FM Burlington-Graham, N.C.—Granted CP to increase ERP to 50 kw; ant. height 230 ft. (BPH-790723AD). Action Mar. 20.

■ WLXN(FM) Lexington, N.C.—Granted CP to increase ERP to 50 kw; ant. height 195 ft. (BPY-790723AC). Action Mar. 20.

■ WOKV(FM) Hamilton, Ohio—Granted request for waiver of Section 72.1201 of rules to identify as Hamilton-Cincinnati. Action Mar. 12.

■ WRWR-FM Port Clinton, Ohio—Granted CP to redescribe TL to 2104 State Rd., Port Clinton; ERP 30 kw, ant. height 170 ft. and make changes in ant. sys.; condition (BPH-79086AY). Action Mar. 25.

■ KOKF(FM) Edmond, Okla.—Granted mod. of CP to change ERP to 3 kw (BMPED-791227BG). Action Mar. 7.

■ KLOO-FM Corvallis, Ore.—Granted CP to increase ERP 100 kw, ant. height 1250 ft.; change TL to North Summit of Vineyard Hill, Corvallis, and make changes in ant. sys. (BPY-790613AA). Action Mar. 25.

■ WLAN-FM Lancaster, Pa.—Granted CP to change TL; make changes in ant. sys.; ERP 50 kw; ant. height 500 ft. (BPH-790716AD). Action Mar. 20.

■ *WCSD(FM) Warminster, Pa.—Granted CP to change TL & SL; make changes in ant.; ERP .2 kw; ant. height 88 ft. condition (BPED-791009AN). Action Mar. 14.

■ WNFM(FM) Dayton, Tenn.—Granted CP to change TL to 1 mile S. of intersection of Old Highway 30 and Ogden Rd., NW Dayton; ERP 0.650 kw, ant. height 660 ft., and make changes in ant. sys. (BPY-790612AD). Action Mar. 26.

■ WBYQ(FM) Hendersonville, Tenn.—Granted CP to make changes in ant. sys.; change type ant.; ERP 1.5 kw; ant. height 430 ft. (BPH-791016AI). Action Feb. 29.

■ KOOV(FM) Copperas Cove, Tex.—Granted CP to decrease ERP to 1.45 kw; increase ant. height to 420 ft. (BPY-800103AF). Action Mar. 19.

■ KNUS(FM) Dallas, Tex.—Granted mod. of CP to change ERP 98 kw; 100 kw, ant. height 1590 ft. (BMPH-800102AZ). Action Mar. 13.

■ KUHF(FM) Houston, Tex.—Granted mod. of CP to make changes; ERP 100 kw; ant. height 970 ft. (BMPED-1433). Action Mar. 7.

■ WFFV(FM) Front Royal, Va.—Granted CP to change SL remote control (BPH-800109AK). Action Mar. 12.

■ WJMA-FM Orange, Va.—Granted CP for changes; ERP 2.7 kw; ant. height 320 feet (BPH-791231CL). Action Mar. 12.

■ WSPL(FM) La Crosse, Wis.—Granted CP to change TL to County Road 18, 1.5 miles SE of Hokah; reduce ant. height to 410 ft.; increase ERP to 1.7 kw (BPY-791231CM). Action Mar. 19.

TV actions

■ WRHT(TV) Ann Arbor, Mich.—Granted request to install STV equipment; condition (BSTCT-790920KF). Action Feb. 27.

■ WRBV(TV) Vineland, N.J.—Granted mod. of CP to change ERP 1320 KW; maxerp 3800 kw; ant. height 920 ft.; TL Church Ave., N. of Chew Rd., Waterford Works, N.J.; SL Brown Road & Delsea Dr., Vineland,; change type ant. (BMPCT-800110KF). Action Mar. 21.

In Contest

Procedural rulings

■ Caulksville and Paris both Arkansas—**FM Proceeding** Designated for hearing in consolidated proceeding the mutually exclusive applications of Broadcast Enterprises, Inc. for CP for new FM station on 95.3 mhz at Caulksville, Ark., and Logan County Broadcasting for same frequency at Paris, Ark., respectively to determine areas and populations which would receive primary service (1.0 mV/m or greater in case of FM) from proposals and availability of other primary service to such areas and populations; Logan's ascertainment efforts; which proposal would provide fair, efficient, and equitable distribution of radio service; which, on comparative basis, best serves public interest; and which should be granted (BC Doc. 80-140-41; BPH-10922, BPH-780831AL). Action Mar. 28.

■ Willows, Calif. **FM Proceeding**—Designated for hearing in consolidated proceeding mutually exclusive applications of OMPC Wireless Broadcast Co. and Willows Broadcasting Co. for a new FM station on 105.5 mhz at Willows, to determine whether good cause exists for Willows to locate its main studio outside proposed community of license, whether Willows is financially qualified to construct and operate proposed station, which proposal, on comparative basis, better serves public interest, and which application should be granted. Granted petition by OMPC for leave to amend and accepted for filing corresponding amendment (BC Doc. 80-138-39; BPH-10,563, BPH-10,995). Action Mar. 28.

Allocations

Applications

■ Sacramento, Calif.—Shamrock Broadcasting Co. requests amendment TV Table of Assignments to assign ch. 29 and delete ch. 15 at Sacramento (RM 3626). Ann. Mar. 31.

■ Visalia, Calif.—Russell Schwamb requests amendment FM Table of Assignments to assign ch. 246 to Visalia (RM 3620). Ann. Mar. 31.

■ Indianapolis, Ind.—Twin Forks, Inc. requests amendment FM Table of Assignments to reassign ch. 276A from Versailles, Ind. to Brookville, Ind. (RM 3619) Ann. Mar. 31.

■ WOC-TV Davenport, Iowa—Palmer Communications requests amendment TV Table of Assignments to assign ch. 15 to Orlando, Fla. and substitute ch. *46 for ch. *15 at New Smyrna Beach, Fla. (RM 3622) Ann. Mar. 31.

■ Hayes Center, Neb.—Jerrell E. Kautz requests amendment FM Table of Assignments to assign ch. 295 to McCook, Neb. (RM 3621) Ann. Mar. 31.

■ KRVN-AM-FM Lexington, Neb.—Requests amendment FM Table of Assignments to assign ch. 271 to Alliance, Neb., and substitute ch. 290 for ch. 221A at Alliance (RM 3623). Ann. Mar. 31.

■ KNEN(AM) Norfolk, Neb.—Requests amendment FM Table of Assignments to assign ch. 253 to Hays, Kans. (RM 3627). Ann. Mar. 31.

■ Hertford, N.C.—Perquimans County Broadcasters requests amendment FM Table of assignments to assign ch. 272A to Hertford (RM 3614). Ann. Mar. 31.

■ Madill, Okla.—Grayson Collegiate Communications requests amendment FM Table of Assignments to assign ch. 272A in lieu of 285A at Madill, and assign 285A to Denison, Tex. (RM 3612). Ann. Mar. 31.

■ Redmond, Ore.—Peregrine Broadcasting Co.—requests amendment FM Table of Assignments to assign ch. 243 to Madras, Ore. (RM 3611). Ann. Mar. 31.

■ Blairsville, Pa.—Ada L. Otie, et. al. request amendment FM Table of Assignments to assign ch. 292A to Blairsville (RM 3615). Ann. Mar. 31.

■ Andrews, S.C.—Andrews Broadcasting Co. requests amendment FM Table of Assignments to assign ch. 265A to Andrews (RM 3616). Ann. Mar. 31.

■ Winnsboro Mills, S.C.—Ridge Broadcasting Co. requests amendment FM Table of Assignments by assigning Ch. 221A to Winnsboro Mills, and substituting ch. 237A for ch. 221A at Batesburg, S.C. (RM 3613). Ann. Mar. 31.

■ Salt Lake City, Utah—Kathy Wamsley requests amendment FM Table of Assignments to assign ch. 300 to Roy/Clearfield, Utah (RM 3617). Ann. Mar. 31.

Actions

■ Fayette and Port Gibson, Miss.—In response to two separate petitions, one by Donald G. Manuel proposing assignment of 97.7 mhz to Port Gibson, and one by Fayette Broadcasters proposing same ch. for Fayette, Miss., assigned 97.7 mhz to Fayette as its first FM assignment, effective May 12 (BC Doc. 79-326). Action Mar. 25.

■ Bernalillo, N.M.—In response to petition by RFC Partners, assigned 101.7 mhz to Bernalillo, as its first FM assignment, effective May 12 (BC Doc. 79-325). Action Mar. 25.

Summary of Broadcasting

FCC tabulations as of Feb. 29, 1980

	Licensed	On air STA*	CP's on air	Total on air	CP's not on air	Total authorized**
Commercial AM	4,536	3	28	4,567	93	4,651
Commercial FM	3,143	2	23	3,168	175	3,343
Educational FM	1,016	0	19	1,035	94	1,129
Total Radio	8,695	5	70	8,770	362	9,123
Commercial TV						
VHF	514	1	2	517	9	526
UHF	223	0	6	229	64	293
Educational TV						
VHF	99	1	5	105	5	110
UHF	155	2	5	162	5	167
Total TV	991	4	18	1,013	83	1,096
FM Translators	292	0	0	292	152	444
TV Translators						
UHF	1,259	0	0	1,259	390	1,649
UHF	2,511	0	0	2,511	165	2,676
Total TV						

*Special temporary authorization

**Includes off-air licenses

Cable

■ The following cable service registrations have been filed:

■ Suffolk Cable Corp. for North Braddock and Swissvale, both Pennsylvania (PA0511,12) add signal.

■ Teleview Cable Service for Fort Eustis AFB, Va. (VA0216) add signal.

■ Jackson County Cable Systems Corp. for Independence, Mo. (MO0108) add signal.

■ Eufaula Cable TV for Eufaula, Ala. (AL0074) add signal.

■ Delta Video Inc. for Risco and Parma, both Missouri (MO0142,3) add signal.

■ San Augustine Cable TV Inc. for San Augustine, Tex. (TX0117) add signal.

■ Sammons Communications Inc. for Live Oak, Fla. (FL0066) add signal.

■ Storer Cable TV of Florida Inc. for Miramar,